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Brooke F Adams 11/14/2006 11:37:14 AM From DB/Inbox: Brooke F Adams

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C O N F I D E N T I A L TRIPOLI 00648

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RUEATRS/DEPT OF TREASURY WASHINGTON DC
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RUEHAD/AMEMBASSY ABU DHABI 0009
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RUEHRB/AMEMBASSY RABAT 0328
RUEHDE/AMCONSUL DUBAI 0008
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C O N F I D E N T I A L SECTION 01 OF 02 TRIPOLI 000648

SIPDIS

TREASURY FOR DAN HARRIS, DEPARTMENT FOR NEA/MAG, NEA/PI

E.O. 12958: DECL: 11/10/2016
TAGS: [ECON](#) [ECIN](#) [EFIN](#) [LY](#)
SUBJECT: LIBYAN CENTRAL BANK ESTABLISHING NEW TRAINING INSTITUTE

REF: TRIPOLI 561

CLASSIFIED BY: Elizabeth Fritschle, Pol/Econ Chief, United States Embassy, DOS.
REASON: 1.4 (b), (d)
[1](#)1. (U) See action request, Para. 7.

[1](#)2. (U) The Libyan Central Bank is launching a new training center to improve employee skills throughout the banking sector, and its director is open to U.S. offers of assistance. Pol/Econ Chief and Econoff met with the Libyan Central Bank on the afternoon of November 6 to discuss the scope and direction of Central Bank training initiatives and offer appropriate U.S. assistance. Dr. Omar Bushallah, General Manager of the nascent Institute of Banking and Financial Studies was joined by Saleh Keshlaf, Director of the Central Bank Governor's Office (chief of staff equivalent) for the discussion. Also present were two representatives from the McKinsey Group, which is currently engaged in a cooperative study with the Central Bank to upgrade and privatize the Libyan banking system (see Reftel).

[1](#)3. (U) The Libyan Central Bank has just begun the process of standing up the Institute of Banking and Financial Studies, which was established by a decree from the General People's Committee Secretariat in late October. Although its bylaws are still being drafted, it has been decided that the Institute will replace the existing Central Bank Training Center. Dr. Bushallah is leading this effort at the Central Bank, and is developing a two-year training program encompassing three main skill areas: English language, computer science and industry-specific technical training. This comprehensive course

of instruction is intended to be a mandatory certification program for all new employees of Libyan banks. Training programs for existing employees will also be developed in time. Dr. Bushallah declared that his Institute will be totally run by the Central Bank, in tandem with similar programs being developed by the General People's Committee for Finance or the General People's Committee for Manpower, Training and Employment.

An Institute "Matching Our Ambitions"

14. (U) Dr. Bushallah allowed that the current Central Bank training center was modest and functional, but he looked forward to being able to guide visitors through a brand-new facility that was "something matching our ambitions." He rejected a suggestion that Libyans could take advantage of excellent training programs already available in other Arabic-speaking countries. The current plan calls for the establishment of a training campus, complete with residence halls, sports facilities, auditoriums and housing for visiting trainers. Until that facility becomes reality, the Central Bank will begin the transition using existing infrastructure. In theory, all of Libya's state banks will be obligated to provide operational funding for the new Institute, their required share being determined based on the number of employees on staff. The Central Bank will also incorporate the national banks at a senior level, as their general managers will be required to serve on the Institute's advisory council. Dr. Bushallah noted that the Central Bank is already providing English language training to 500 banking sector employees, and hoped to expand this program. The Bank is currently employing six English language trainers contracted through Berlitz in Manchester, UK, placing them at its Tripoli, Benghazi and Sebha branch offices. Other part-time instructors have been culled from the Libyan university system.

Welcomes U.S. Government Cooperation and Other Training Opportunities

15. (C) Dr. Bushallah noted that he intends to generally model the Institute on the efforts of the GCC states, developing a highly institutionalized, vice outsourced, national training model. He stressed that the Central Bank is open to the best ideas from around the world, and is not wedded to a single training model. However, while the Central Bank was open to new ideas, his intention is that all banking sector employees will be required to complete the Libyan course before being eligible for training overseas. Pol/Econ Chief described numerous U.S. training opportunities that were available to the Bank, highlighting the financial sector service reform programs available through MEPI and the December 11-13 conference at the Federal Reserve Bank of New York under the U.S.-Middle East/North Africa Private Sector Dialogue (U.S.-MENA PSD). Dr. Bushallah indicated that he was aware of the conference and agreed that it would be a good opportunity to explore new avenues of engagement and training (Note: While on the subject of conferences, Bushallah stated that the planned November 20-21 "Banking and Finance Libya" conference in Tripoli (hosted by Aisha Qaddafi's Waatasimo Foundation) had been canceled. End Note). He also said that he would consider any USG proposals for closer cooperation on sector reform. He mentioned that several other countries had extended offers for training assistance and that the Libyans would determine which proposals were most advantageous (Embassy note: the souk is open. End note). Asked if the Central Bank Institute could provide assistance in setting-up appropriate meetings, as well as the facilitation of visa issuance for a future financial sector service reform team visit, Dr. Bushallah said that he would welcome a team with training proposals.

16. (U) Following up on this positive discussion, post's PAO section is engaging with Dr. Bushallah to provide information on the full range of U.S. educational training and exchange programs available to the Central Bank over the coming year. Post has also reminded the Central Bank about the Federal

Reserve Bank conference in New York, and has encouraged a quick decision Libyan participation.

17. (C) COMMENT AND ACTION REQUEST: This may be another one in a continuing series of grandiose Libyan projects that are announced, but then falter during implementation due to the complex bureaucracy inherent in a "state of the masses" governing system. While Embassy has been pressing continually for an official government reception of a MEPI delegation, we are most likely to achieve our MEPI objectives if we help the Libyans achieve some basic comfort level with the scope of programming. This may be an opportunity to bring in a focused team of financial sector service reform experts to initiate programming as a good "foot in the door" project, that could also be combined with additional work through the Qadhafi Development Foundation's National Economic Strategy for maximum impact. Please advise if a financial reform specific visit might be possible in January or February 2007. END COMMENT AND ACTION REQUEST.
GOLDRICH